

Legislative Notice

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S. 1205 — The Military Construction Appropriation Bill for 2000

Calendar No. 150

Reported by the Senate Committee on Appropriations on June 10, 1999, by a unanimous vote of 28-0.

NOTEWORTHY

- The Senate by unanimous consent will consider and vote on S. 1205 this morning. No amendments are in order.
- The bill provides a total of \$8.27 billion in new spending authority for military construction for FY 2000, and fully conforms to the budget resolution for defense spending in its 302(b) allocation.
- S. 1205 provides \$175.92 million less than the amount appropriated for FY 1999 and exceeds the President's request by \$2.83 billion. The Administration's budget request reflects a reduction of \$3 billion from the amount enacted in FY 1999. The Committee notes with great concern the continuous under-investment by the DoD in military facilities and infrastructure. The Committee report states that the President's proposed level of funding does not provide sufficient resources to continue the Department's efforts to modernize, renovate, and improve aging defense facilities. The Committee's recommended funding level corrects some of these deficiencies and shortfalls.
- The bill provides no advance appropriations, and only phase-funds those projects that normally would be funded over a period of years [see pp. 2-3 for further discussion].
- The Committee fully funds the budget request of \$705.91 million for ongoing activities related to base closure and realignment. This is the same as the amount requested by the President.
- The Committee believes that the amount requested for construction contingencies (5 percent for new construction and 10 percent for alterations or additions) is excessive and thus the bill includes a provision which reduces the funding available for contingency construction.
- To improve the quality of life for U.S. military personnel and their families, the Committee establishes a new fund, the Family Housing Revitalization Transfer Fund to make small but significant improvements to family housing. The Committee provides \$25 million for this account.

BACKGROUND

The Subcommittee on Military Construction held hearings on the FY 2000 budget request in March of this year. The subcommittee heard testimony from representatives of the military services and defense agencies concerning FY 2000 budget priorities and base realignment and closure issues.

The full Appropriations Committee met on Thursday, June 10 to mark up and report out S. 1205.

S. 1205 provides necessary funding for the planning, design, construction, alteration, and improvement of military facilities worldwide, both for the Active and Reserve Forces. It finances the construction, alteration, improvement, operation, and maintenance of family housing. The bill is also the source for the U.S. share of the NATO Security Investment Program. In addition, it provides funding to implement base closure and realignments authorized by law.

HIGHLIGHTS

Advance Appropriations

The Committee is concerned that the President's FY 2000 budget request for military construction recommended an incremental funding approach for military construction and family housing projects. The proposed use of "advance appropriations" flies in the face of the 1974 Budget Act and long-standing White House policy of fully funding military construction.

The Committee is disturbed that such a major financing policy change was instituted at such a late date in the budget preparation process. It allowed almost no discussion within the Administration about the considerable risks that were being taken. The Committee also notes that no precedent exists for the broad-based, incremental funding of military construction as proposed by the Administration.

In addition, the Committee report points out that discussions with the civilian and military civil engineering community indicate significant cost and schedule dangers to this approach for completing construction projects. Proceeding in this manner places the FY 2000 construction program in extreme jeopardy.

The report also highlights the Committee's objections to the Administration's request to separate funds for supervision, overhead and inspection charges totaling \$154.2 million from specific military construction projects and to annualize those charges over a five-year period.

To ensure the integrity of the budget and appropriation process and that such fiscal practices are not repeated, the Committee directs the Department to fully fund all military construction projects in future budget requests. Further, the Committee directs the Department to adhere to the phase-funding guidelines it had previously established with OMB. The Committee warns that continued disregard of this direction will force it to review all military construction financing policies and enact appropriate controls and restrictions.

Contingency Funding

The Committee cites its belief that the amount requested for construction contingencies (5 percent for new construction and 10 percent for alterations or additions) is excessive. It further reports that contingency funding is being used to fund upgrades on projects which have already been awarded. Therefore, the Committee has included a provision which reduces the funding available for contingencies within the Department.

Barracks Construction

The Committee recommends \$753.89 million for 47 barracks construction projects in FY 2000, an increase of \$586.69 million over the budget request.

BILL PROVISIONS

Military Construction — Military Services

- The Committee recommends the following funding levels for the Services:
 - \$1.06 billion for the **Army**, an increase of \$411.41 million over the budget request;
 - \$884.88 million for **Navy and Marine Corps**, an increase of \$565.09 million over the budget request;
 - \$783.71 million for the **Air Force**, an increase of \$604.21 million to the budget request; and,
 - \$770.69 million for projects considered within the “**Defense-wide**” account, an increase of \$577.68 million to the budget request.

Chemical Demilitarization

- The budget request identified a requirement of \$256.2 million for the construction of **chemical weapon demilitarization facilities**. The Committee recommends a total of \$261.3 million for this project, an increase of \$5.1 million.
- The Committee opposes the Department's transfer of the Chemical Demilitarization Program funds from the Office of the Secretary of Defense to the Army Military Construction Program, and directs the Department to submit the FY 2001 budget accordingly.

Medical Construction

- The budget request included \$161.75 million for 23 projects and for unspecified minor **construction to provide hospital and medical facilities, and medical research and development facilities**. The Committee recommends funding for those projects and two additional projects, for a total of \$174.95 million. This level represents a decrease of \$35.65 million from the FY 1999 appropriated level.

Forward Operating Locations

- The FY 2000 budget requested \$42.8 million to acquire and construct three **forward deployment sites for drug interdiction and counter-drug activities**. While recognizing the importance and high priority of this mission, the Committee is concerned that this construction proposal was developed outside the military construction process and budgetary guidelines without adequate consensus among the services and Congress.
- The Committee believes it is premature to appropriate funds for these bases until Congress has been provided a long-range master plan for each location, combined with justification, detailed data, and costs for each of the projects. Accordingly, the Committee did not recommend construction funding for these forward operating locations, but rather **provided \$5 million of planning and design funds** that will facilitate the detailed planning and design work for these facilities over the next fiscal year.
- The Committee also directs the Department to **submit future requests** for specific military construction projects in support of drug interdiction and counter-drug activities of the DoD on a line-item basis, as part of the budget request for military construction.

Military Construction — Reserve Components

- The Committee recommends \$638.43 million for military construction projects for the **Guard and Reserve components**. The Committee has added \$35.45 million for specific Reserve component planning and design initiative and minor construction projects.

Rapid Assessment and Initial Detection (RAID) Teams

- The Committee supports the continued establishment of **National Guard RAID teams** as a critical component of this program aimed at responding to weapons of mass destruction. However, the Committee notes that as the National Guard assumes this new mission, many of these teams do not have adequate facilities from which to train, to coordinate with other federal and state agencies, and to store decontamination and reconnaissance equipment.

NATO Security Investment Program

- The Committee provides \$100 million for the **NATO Security Investment Program**, which is \$91 million below the President's request. However, the Committee expects the Department to use funds that were appropriated in the 1999 Emergency Supplemental Appropriations Act to provide adequate funding for this account in accordance with the amount authorized for FY 2000.

Family Housing — Services

- The Committee provides a total of \$3.6 billion for **family housing** construction, operations and maintenance, the Department's family housing improvements fund, and the new Family Housing Revitalization Transfer Fund. This amount is \$484.7 million above the FY 2000 request and \$11.5 million above the FY 1999 appropriated level.
- The Committee recommendations for the Services are as follows:
 - \$1.16 billion for the Army, which is \$46.89 million over the budget request;
 - \$1.19 billion for the Navy and Marine Corps, which is \$233.75 million over the budget request;
 - \$1.15 billion for the Air Force, which is \$233.24 million over the budget request; and,
 - \$41.49 million for **defense-wide**, which is equal to the budget request.

Family Housing Revitalization Transfer Fund

- The Committee recognizes that the readiness and retention of the all-volunteer force are largely related to the quality of life which military personnel and their families enjoy. A major component of this is the condition and availability of military family housing. Yet many installations lack sufficient funding to make small but significant improvements to family housing. In view of continuing requirements and backlog of projects, the

Committee has provided \$25 million in a new account, the **Family Housing Revitalization Transfer Fund**.

Family Housing Improvement Fund

- The Committee recommends \$25 million for the **family housing privatization fund** rather than \$75 million as requested. This reduction is based on an adjusted estimate of the number and timing of those housing privatization projects that are likely to commence over the next year.

Base Realignment and Closure

- The Committee recommends \$705.91 million for the **base realignment and closure** account. This is a decrease of \$918.59 million from the amount appropriated for FY 1999 but equal to the budget request. The Committee notes the assurances from the DoD that the requested amount is adequate to address requirements in FY 2000.

ADMINISTRATION POSITION

There was no Statement of Administration Policy at press time.

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